



## News from Aon

### Aon Reports Second Quarter 2023 Results

#### Second Quarter Key Metrics

- Total revenue increased 7% to \$3.2 billion, including organic revenue growth of 6%
- Operating margin increased 300 basis points to 26.5%, and operating margin, adjusted for certain items, increased 110 basis points to 27.3%
- EPS increased 16% to \$2.71, and EPS, adjusted for certain items, increased 5% to \$2.76
- For the first six months of 2023, cash flows from operations was flat, and free cash flow decreased 7% to \$986 million

#### Second Quarter Highlights

- Repurchased 1.7 million class A ordinary shares for approximately \$550 million
- Further accelerated our Aon United strategy by aligning the content and creation capabilities of our four solution lines around two primary categories of client need: Risk Capital and Human Capital
- Taking ongoing steps to connect and accelerate climate offerings across the firm with the launch of our Climate Innovation Hub in Singapore and Climate Risk Advisory team, which will enhance and provide forward looking diagnostics, advisory, and risk modeling tools to help clients navigate volatility and build resilience

**DUBLIN** - July 28, 2023 - Aon plc (NYSE: AON) today reported results for the three months ended June 30, 2023.

**Net income attributable to Aon shareholders** increased 12% to \$560 million, or \$2.71 per share on a diluted basis, compared to \$501 million, or \$2.33 per share, in the prior year period. Net income per share attributable to Aon shareholders, adjusted for certain items, increased 5% to \$2.76 on a diluted basis, including an unfavorable impact of \$0.05 per share if prior year period results were translated at current period foreign exchange rates (“foreign currency translation”), compared to \$2.63 in the prior year period. Certain items that impacted second quarter results and comparisons with the prior year period are detailed in the “Reconciliation of Non-GAAP Measures - Operating Income, Operating Margin and Diluted Earnings Per Share” on page [10](#) of this press release.

“Our global team delivered strong operating results in the second quarter, including 6% organic revenue growth and 110 basis points of adjusted operating margin improvement, demonstrating the strength of our Aon United strategy and ongoing progress against our financial goals,” said Greg Case, Chief Executive Officer. “By aligning solution development around Risk Capital and Human Capital, we’re accelerating innovation in our core business and more effectively leveraging our Aon Business Services platform to address growing client demand for analytical tools that will help them make better decisions on risk and people challenges and opportunities.”

## **SECOND QUARTER 2023 FINANCIAL SUMMARY**

**Total revenue** in the second quarter increased 7% to \$3.2 billion compared to the prior year period reflecting 6% organic revenue growth and a 2% favorable impact from fiduciary investment income, partially offset by a 1% unfavorable impact from foreign currency translation.

**Total operating expenses** in the second quarter increased 2% to \$2.3 billion compared to the prior year period due primarily to an increase in expense associated with 6% organic revenue growth and investments in long-term growth, partially offset by a \$10 million favorable impact from foreign currency translation.

**Foreign currency** translation in the second quarter had an \$11 million, or \$0.05 per share, unfavorable impact on U.S. GAAP net income and a \$10 million, or \$0.05 per share, unfavorable impact on adjusted net income. If currency were to remain stable at today's rates, the Company would expect no impact in the third quarter of 2023, and an unfavorable impact of approximately \$0.14 per share, or an approximately \$42 million decrease in adjusted operating income for full year 2023.

**Effective tax rate** was 12.6% in the second quarter compared to 18.8% in the prior year period. After adjusting to exclude the applicable tax impact associated with certain non-GAAP adjustments, the adjusted effective tax rate for the second quarter of 2023 was 17.6% compared to 19.3% in the prior year period. The primary drivers of the change in the adjusted tax rate were the geographical distribution of income and a net favorable impact from discrete items.

**Weighted average diluted shares outstanding** decreased to 206.3 million in the second quarter compared to 214.7 million in the prior year period. The Company repurchased 1.7 million Class A Ordinary Shares for approximately \$550 million in the second quarter. As of June 30, 2023, the Company had approximately \$4.9 billion of remaining authorization under its share repurchase program.

## **YEAR TO DATE 2023 CASH FLOW SUMMARY**

**Cash flows provided by operations** for the first six months of 2023 was flat compared to the prior year period, primarily due to strong operating income growth offset in part by higher cash tax payments.

**Free cash flow**, defined as cash flows from operations less capital expenditures, decreased 7%, to \$986 million for the first six months of 2023 compared to the prior year period, reflecting flat cash flows provided by operations and a \$77 million increase in capital expenditures. Capital expenditures were elevated in the first half of the year compared to the prior year period as we initiated a number of projects with spend heavily weighted in the first half across technology to drive long-term growth.

## **SECOND QUARTER 2023 REVENUE REVIEW**

The second quarter revenue reviews provided below include supplemental information related to organic revenue growth, which is a non-GAAP measure that is described in detail in “Reconciliation of Non-GAAP Measures - Organic Revenue Growth and Free Cash Flow” on page 9 of this press release.

<i>(millions)</i>	<u>Three Months Ended</u>		<u>%</u>	<u>Less:</u>	<u>Less:</u>	<u>Less:</u>	<u>Organic</u>
	<u>2023</u>	<u>2022</u>					
				<u>Impact</u>	<u>Investment</u>	<u>&amp; Other</u>	<u>Growth</u>
<b>Revenue</b>							
Commercial Risk Solutions	\$ 1,774	\$ 1,692	5 %	(1)%	2 %	(1)%	5 %
Reinsurance Solutions	607	537	13	(1)	5	—	9
Health Solutions	447	414	8	(1)	—	(1)	10
Wealth Solutions	352	343	3	—	—	1	2
Eliminations	(3)	(3)	N/A	N/A	N/A	N/A	N/A
<b>Total revenue</b>	<b>\$ 3,177</b>	<b>\$ 2,983</b>	<b>7 %</b>	<b>(1)%</b>	<b>2 %</b>	<b>— %</b>	<b>6 %</b>

Total revenue increased \$194 million, or 7%, to \$3,177 million, compared to the prior year period, with organic revenue growth of 6%, driven by ongoing strong retention, management of the renewal book, and net new business generation, and a 2% favorable impact from fiduciary investment income, partially offset by a 1% unfavorable impact from foreign currency translation.

**Commercial Risk Solutions** organic revenue growth of 5% reflects strong growth across most major geographies driven by strong retention, management of the renewal book, and net new business generation. Growth in retail brokerage was highlighted by double-digit growth in Asia and the Pacific, driven by continued strength in core P&C. The U.S. grew modestly driven by strength in core businesses, partially offset by the impact of the external M&A and IPO markets on M&A services. Results also reflect strong growth globally in the affinity business across both consumer and business solutions. On average globally, exposures and pricing were positive, resulting in a modestly positive market impact.

**Reinsurance Solutions** organic revenue growth of 9% reflects strong growth in treaty, driven by strong retention and continued net new business generation, as well as double-digit growth in both facultative placements and investment banking, and solid growth in the Strategy and Technology Group. Market impact was modestly positive on results in the quarter. The majority of revenue in our treaty portfolio is recurring in nature and is recorded in connection with the major renewal periods that take place throughout the first half of the year.

**Health Solutions** organic revenue growth of 10% reflects strong growth globally in core health and benefits brokerage primarily from net new business generation and management of the renewal book. Strength in the core was highlighted by double-digit growth in Latin America, EMEA, and the U.K. Results also reflect modest growth in Talent, driven by data and advisory solutions.

**Wealth Solutions** organic revenue growth of 2% reflects growth in Retirement, driven by advisory demand and project-related work related to pension de-risking and ongoing impact of regulatory changes. In Investments, a decrease in AUM-based delegated investment management revenue due to equity market and interest rate movements was partially offset by advisory demand and project-related work.

## SECOND QUARTER 2023 EXPENSE REVIEW

<i>(millions)</i>	Three Months Ended June 30,			
	2023	2022	\$ Change	% Change
<b>Expenses</b>				
Compensation and benefits	\$ 1,754	\$ 1,639	\$ 115	7 %
Information technology	129	115	14	12
Premises	68	73	(5)	(7)
Depreciation of fixed assets	39	40	(1)	(3)
Amortization and impairment of intangible assets	25	25	—	—
Other general expense	320	391	(71)	(18)
<b>Total operating expenses</b>	<b>\$ 2,335</b>	<b>\$ 2,283</b>	<b>\$ 52</b>	<b>2 %</b>

**Compensation and benefits** expense increased \$115 million, or 7%, compared to the prior year period due primarily to an increase in expense associated with 6% organic revenue growth, partially offset by an \$8 million favorable impact from foreign currency translation.

**Information technology** expense increased \$14 million, or 12%, compared to the prior year period due primarily to ongoing investments in Aon Business Services-enabled technology platforms to drive long-term growth and continued investment in core infrastructure and security.

**Premises** expense decreased \$5 million, or 7%, compared to the prior year period due primarily to a one-time \$4 million benefit associated with steps taken to optimize our real estate footprint.

**Depreciation of fixed assets** decreased \$1 million, or 3%, compared to the prior year period.

**Amortization and impairment of intangible assets** was flat compared to the prior year period.

**Other general expenses** decreased \$71 million, or 18%, compared to the prior year period due primarily to a \$58 million charge in connection with certain legal settlements in the prior year period that did not repeat in the second quarter of 2023.

## SECOND QUARTER 2023 INCOME SUMMARY

Certain noteworthy items impacted adjusted operating income and adjusted operating margins in the second quarters of 2023 and 2022, which are also described in detail in “Reconciliation of Non-GAAP Measures - Operating Income, Operating Margin and Diluted Earnings Per Share” on page [10](#) of this press release.

<i>(millions)</i>	Three Months Ended June 30,			% Change
	2023	2022		
<b>Revenue</b>	\$ 3,177	\$ 2,983		7 %
<b>Expenses</b>	2,335	2,283		2 %
<b>Operating income</b>	\$ 842	\$ 700		20 %
<b>Operating margin</b>	26.5 %	23.5 %		
<b>Operating income - as adjusted</b>	\$ 867	\$ 783		11 %
<b>Operating margin - as adjusted</b>	27.3 %	26.2 %		

**Operating income** increased \$142 million, or 20%, and operating margin increased 300 basis points to 26.5%, each compared to the prior year period. Operating income, adjusted for certain items detailed on page 10 of this press release, increased \$84 million, or 11%, and operating margin, adjusted for certain items, increased 110 basis points to 27.3%, each compared to the prior year period. The increase in operating income reflects organic revenue growth and increased fiduciary investment income, partially offset by increased expenses and investments in long-term growth.

**Interest income** was flat compared to the prior year period. **Interest expense** increased \$28 million to \$130 million compared to the prior year period, including an \$11 million non-recurring charge in the quarter and reflecting an overall increase in total debt and higher interest rates. **Other income (expense)** decreased \$89 million compared to the prior year period primarily due to a non-cash pension settlement charge of \$27 million, an expense from the unfavorable impact on exchange rates on the remeasurement of assets and liabilities in non-functional currencies, and a gain on the sale of a business in the prior year period that did not repeat. **Other income (expense) – as adjusted** decreased \$62 million compared to the prior year period primarily due to the unfavorable impact of exchange rates on the remeasurement of assets and liabilities in non-functional currencies, and a gain on the sale of a business in the prior year period that did not repeat.

### **Conference Call, Presentation Slides and Webcast Details**

The Company will host a conference call on Friday, July 28, 2023 at 7:30 a.m., central time. Interested parties can listen to the conference call via a live audio webcast and view the presentation slides at [www.aon.com](http://www.aon.com).

### ***About Aon***

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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### ***Safe Harbor Statement***

This communication contains certain statements related to future results, or states Aon's intentions, beliefs and expectations or predictions for the future, all of which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. These forward-looking statements include information about possible or assumed future results of Aon's operations. All statements, other than statements of historical facts, that address activities, events or developments that Aon expects or anticipates may occur in the future, including such things as its outlook, future capital expenditures, growth in commissions and fees, changes to the composition or level of its revenues, cash flow and liquidity, expected tax rates, expected foreign currency translation impacts, business strategies, competitive strengths, goals, the benefits of new initiatives, growth of its business and operations, plans, and references to future successes, are forward-looking statements. Also, when Aon uses words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "looking forward", "may", "might", "plan", "potential" "probably", "project", "should", "will", "would" or similar expressions, it is making forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in or anticipated by the forward looking statements: changes in the competitive environment, due to macroeconomic conditions (including impacts from instability in the banking or commercial real estate sectors) or otherwise, or damage to Aon's reputation; fluctuations in currency exchange, interest, or inflation rates that could impact our financial condition or results; changes in global equity and fixed income markets that could affect the return

on invested assets; changes in the funded status of Aon's various defined benefit pension plans and the impact of any increased pension funding resulting from those changes; the level of Aon's debt and the terms thereof reducing Aon's flexibility or increasing borrowing costs; rating agency actions that could limit Aon's access to capital and our competitive position; volatility in Aon's global tax rate due to being subject to a variety of different factors, including the adoption and implementation of OECD tax proposals; changes in Aon's accounting estimates or assumptions on Aon's financial statements; limits on Aon's subsidiaries' ability to pay dividends or otherwise make payments to Aon; the impact of legal proceedings and other contingencies, including those arising from acquisition or disposition transactions, errors and omissions and other claims against Aon; the impact of, and potential challenges in complying with, laws and regulations in the jurisdictions in which Aon operates, particularly given the global nature of Aon's operations and the possibility of differing or conflicting laws and regulations, or the application or interpretation thereof, across jurisdictions in which Aon does business; the impact of any regulatory investigations brought in Ireland, the U.K., the U.S. and other countries; failure to protect intellectual property rights or allegations that Aon infringes on the intellectual property rights of others; general economic and political conditions in different countries in which Aon does business around the world; the failure to retain, attract and develop experienced and qualified personnel; international risks associated with Aon's global operations, including impacts from military conflicts or political instability, such as the ongoing Russian war in Ukraine; the effects of natural or man-made disasters, including the effects of the COVID-19 and other health pandemics and the impacts of climate change; any system or network disruption or breach resulting in operational interruption or improper disclosure of confidential, personal, or proprietary data, and resulting liabilities or damage to our reputation; Aon's ability to develop, implement, update and enhance new systems; the actions taken by third parties that perform aspects of Aon's business operations and client services; the extent to which Aon is exposed to certain risks, including lawsuits, related to actions Aon may take in being responsible for making decisions on behalf of clients in Aon's investment businesses or in other advisory services that Aon currently provides, or may provide in the future; Aon's ability to continue, and the costs and risks associated with, growing, developing and integrating acquired business, and entering into new lines of business or products; Aon's ability to secure regulatory approval and complete transactions, and the costs and risks associated with the failure to consummate proposed transactions; changes in commercial property and casualty markets, commercial premium rates or methods of compensation; Aon's ability to develop and implement innovative growth strategies and initiatives intended to yield cost savings, and the ability to achieve such growth or cost savings; the effects of Irish law on Aon's operating flexibility and the enforcement of judgments against Aon; and adverse effects on the market price of Aon's securities and/or operating results.

Any or all of Aon's forward-looking statements may turn out to be inaccurate, and there are no guarantees about Aon's performance. The factors identified above are not exhaustive. Aon and its subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. In addition, results for prior periods are not necessarily indicative of results that may be expected for any future period. Further information concerning Aon and its businesses, including factors that potentially could materially affect Aon's financial results, is contained in Aon's filings with the SEC. See Aon's Annual Report on Form 10-K for the year ended December 31, 2022 for a further discussion of these and other risks and uncertainties applicable to Aon and its businesses. These factors may be revised or supplemented in subsequent reports filed with the SEC. Aon is not under, and expressly disclaims, any obligation to update or alter any forward-looking statement that it may make from time to time, whether as a result of new information, future events or otherwise.

### ***Explanation of Non-GAAP Measures***

This communication includes supplemental information not calculated in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"), including organic revenue growth, free cash flow, adjusted operating income, adjusted operating margin, adjusted earnings per share, adjusted net income attributable to Aon shareholders, adjusted net income per share, and adjusted effective tax rate that exclude the effects of intangible asset amortization and impairment, pension settlements, capital expenditures, and certain other noteworthy items that affected results for the comparable periods. Organic revenue growth includes the impact of intercompany activity and excludes foreign exchange rate changes, acquisitions, divestitures, transfers between revenue lines, fiduciary investment income, and gains or losses on derivatives accounted for as hedges. Currency impact represents the effect on prior year period results if they were translated at current period foreign exchange rates. Reconciliations to the closest U.S. GAAP measure for each non-GAAP measure presented in this communication are provided in the attached appendices. Supplemental organic revenue growth information and additional measures that exclude the effects of certain items noted above do not affect net income or any other U.S. GAAP reported amounts. Free cash flow is cash flows from operating activity less capital expenditures. The adjusted effective tax rate excludes the applicable tax impact associated with expenses for estimated intangible asset amortization and impairment, and certain other noteworthy items. Management believes that these measures are important to make meaningful period-to-period comparisons and that this supplemental information is helpful to investors. Management also uses these measures to assess operating performance and performance for compensation. Non-GAAP measures should be viewed in addition to, not in lieu of, Aon's Consolidated Financial

Statements. Industry peers provide similar supplemental information regarding their performance, although they may not make identical adjustments.

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Condensed Consolidated Statements of Income (Unaudited)

<i>(millions, except per share data)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
<b>Revenue</b>						
Total revenue	\$ 3,177	\$ 2,983	7 %	\$ 7,048	\$ 6,653	6 %
<b>Expenses</b>						
Compensation and benefits	1,754	1,639	7 %	3,546	3,406	4 %
Information technology	129	115	12 %	268	238	13 %
Premises	68	73	(7)%	143	145	(1)%
Depreciation of fixed assets	39	40	(3)%	77	78	(1)%
Amortization and impairment of intangible assets	25	25	— %	50	53	(6)%
Other general expense	320	391	(18)%	649	666	(3)%
Total operating expenses	2,335	2,283	2 %	4,733	4,586	3 %
<b>Operating income</b>	842	700	20 %	2,315	2,067	12 %
Interest income	5	5	— %	10	8	25 %
Interest expense	(130)	(102)	27 %	(241)	(193)	25 %
Other income (expense)	(59)	30	(297)%	(84)	55	(253)%
<b>Income before income taxes</b>	658	633	4 %	2,000	1,937	3 %
Income tax expense <sup>(1)</sup>	83	119	(30)%	346	375	(8)%
<b>Net income</b>	575	514	12 %	1,654	1,562	6 %
Less: Net income attributable to noncontrolling interests	15	13	15 %	44	38	16 %
<b>Net income attributable to Aon shareholders</b>	\$ 560	\$ 501	12 %	\$ 1,610	\$ 1,524	6 %
<hr/>						
Basic net income per share attributable to Aon shareholders	\$ 2.74	\$ 2.35	17 %	\$ 7.84	\$ 7.11	10 %
Diluted net income per share attributable to Aon shareholders	\$ 2.71	\$ 2.33	16 %	\$ 7.79	\$ 7.07	10 %
Weighted average ordinary shares outstanding - basic	204.7	213.3	(4)%	205.4	214.3	(4)%
Weighted average ordinary shares outstanding - diluted	206.3	214.7	(4)%	206.7	215.6	(4)%

(1) The effective tax rate was 12.6% and 18.8% for the three months ended June 30, 2023 and 2022, respectively, and 17.3% and 19.4% for the six months ended June 30, 2023 and 2022, respectively.



## Reconciliation of Non-GAAP Measures - Organic Revenue Growth and Free Cash Flow (Unaudited)

**Organic Revenue Growth (Unaudited)**

(millions)	Three Months Ended June 30,		% Change	Less: Currency Impact <sup>(1)</sup>	Less: Fiduciary Investment Income <sup>(2)</sup>	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth <sup>(3)</sup>
	2023	2022					
<b>Revenue</b>							
Commercial Risk Solutions	\$ 1,774	\$ 1,692	5 %	(1)%	2 %	(1)%	5 %
Reinsurance Solutions	607	537	13	(1)	5	—	9
Health Solutions	447	414	8	(1)	—	(1)	10
Wealth Solutions	352	343	3	—	—	1	2
Elimination	(3)	(3)	N/A	N/A	N/A	N/A	N/A
<b>Total revenue</b>	<b>\$ 3,177</b>	<b>\$ 2,983</b>	<b>7 %</b>	<b>(1)%</b>	<b>2 %</b>	<b>— %</b>	<b>6 %</b>

(millions)	Six Months Ended June 30,		% Change	Less: Currency Impact <sup>(1)</sup>	Less: Fiduciary Investment Income <sup>(2)</sup>	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth <sup>(3)</sup>
	2023	2022					
<b>Revenue</b>							
Commercial Risk Solutions	\$ 3,552	\$ 3,411	4 %	(2)%	2 %	(2)%	6 %
Reinsurance Solutions	1,684	1,513	11	(2)	3	1	9
Health Solutions	1,118	1,052	6	(2)	—	(1)	9
Wealth Solutions	702	688	2	(2)	—	—	4
Elimination	(8)	(11)	N/A	N/A	N/A	N/A	N/A
<b>Total revenue</b>	<b>\$ 7,048</b>	<b>\$ 6,653</b>	<b>6 %</b>	<b>(2)%</b>	<b>2 %</b>	<b>(1)%</b>	<b>7 %</b>

(1) Currency impact represents the effect on prior year period results if they were translated at current period foreign exchange rates.

(2) Fiduciary investment income for the three months ended June 30, 2023 and 2022 was \$64 million and \$7 million, respectively. Fiduciary investment income for the six months ended June 30, 2023 and 2022 was \$116 million and \$9 million, respectively.

(3) Organic revenue growth includes the impact of certain intercompany activity and excludes the impact of changes in foreign exchange rates, fiduciary investment income, acquisitions, divestitures, transfers between revenue lines, and gains or losses on derivatives accounted for as hedges.

**Free Cash Flows (Unaudited)**

(millions)	Six Months Ended June 30,		
	2023	2022	% Change
Cash Provided by Operating Activities	\$ 1,131	\$ 1,131	— %
Capital Expenditures	(145)	(68)	113 %
<b>Free Cash Flows <sup>(1)</sup></b>	<b>\$ 986</b>	<b>\$ 1,063</b>	<b>(7)%</b>

(1) Free cash flow is defined as cash flows from operations less capital expenditures. This non-GAAP measure does not imply or represent a precise calculation of residual cash flow available for discretionary expenditures.

**Aon plc**

Reconciliation of Non-GAAP Measures - Operating Income, Operating Margin, and Diluted Earnings Per Share (Unaudited) <sup>(1)</sup>

<i>(millions, except percentages)</i>	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2023	2022		2023	2022	
<b>Revenue</b>	\$3,177	\$2,983	7 %	\$7,048	\$6,653	6 %
<b>Operating income</b>	\$ 842	\$ 700	20 %	\$2,315	\$2,067	12 %
Amortization and impairment of intangible assets	25	25		50	53	
Legal settlements <sup>(2)</sup>	—	58		—	58	
<b>Operating income - as adjusted</b>	\$ 867	\$ 783	11 %	\$2,365	\$2,178	9 %
<b>Operating margin</b>	26.5 %	23.5 %		32.8 %	31.1 %	
<b>Operating margin - as adjusted</b>	27.3 %	26.2 %		33.6 %	32.7 %	

<i>(millions, except percentages)</i>	Three Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2023	2022		2023	2022	
<b>Operating income - as adjusted</b>	\$ 867	\$ 783	11 %	\$2,365	\$2,178	9 %
Interest income	5	5	— %	10	8	25 %
Interest expense	(130)	(102)	27 %	(241)	(193)	25 %
Other income (expense):						
Other income (expense) - pensions - as adjusted <sup>(3)</sup>	(16)	(3)	433 %	(33)	(6)	450 %
Other income (expense) - other	(16)	33	(148)%	(24)	61	(139)%
Other income (expense) - as adjusted <sup>(3)</sup>	(32)	30	(207)%	(57)	55	(204)%
<b>Income before income taxes - as adjusted</b>	710	716	(1)%	2,077	2,048	1 %
Income tax expense <sup>(4)</sup>	125	138	(9)%	393	400	(2)%
<b>Net income - as adjusted</b>	585	578	1 %	1,684	1,648	2 %
Less: Net income attributable to noncontrolling interests	15	13	15 %	44	38	16 %
<b>Net income attributable to Aon shareholders - as adjusted</b>	\$ 570	\$ 565	1 %	\$1,640	\$1,610	2 %
Diluted net income per share attributable to Aon shareholders - as adjusted	\$ 2.76	\$ 2.63	5 %	\$ 7.93	\$ 7.47	6 %
Weighted average ordinary shares outstanding - diluted	206.3	214.7	(4)%	206.7	215.6	(4)%
<b>Effective Tax Rates <sup>(4)</sup></b>						
U.S. GAAP	12.6 %	18.8 %		17.3 %	19.4 %	
Non-GAAP	17.6 %	19.3 %		18.9 %	19.5 %	

(1) Certain noteworthy items impacting operating income in the three and six months ended June 30, 2023 and 2022 are described in this schedule. The items shown with the caption “as adjusted” are non-GAAP measures.

(2) In connection with certain legal settlements reached, a \$58 million charge was recognized in the second quarter of 2022.

(3) To further its pension de-risking strategy, the Company settled certain pension obligations in the Netherlands through the purchase of annuities, where certain pension assets were liquidated to purchase the annuities. A non-cash settlement charge totaling \$27 million was recognized in the second quarter of 2023 which is excluded from Other income (expense) - as adjusted.

(4) Adjusted items are generally taxed at the estimated annual effective tax rate, except for the applicable tax impact associated with the anticipated sale of certain assets and liabilities classified as held for sale as well as certain pension and legal settlements, which are adjusted at the related jurisdictional rate.

<i>(millions)</i>	As of	
	(Unaudited) June 30, 2023	December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 952	\$ 690
Short-term investments	200	452
Receivables, net	3,764	3,035
Fiduciary assets <sup>(1)</sup>	18,193	15,900
Other current assets	840	646
<b>Total current assets</b>	<b>23,949</b>	<b>20,723</b>
Goodwill	8,360	8,292
Intangible assets, net	268	447
Fixed assets, net	639	558
Operating lease right-of-use assets	678	699
Deferred tax assets	963	824
Prepaid pension	691	652
Other non-current assets	501	509
<b>Total assets</b>	<b>\$ 36,049</b>	<b>\$ 32,704</b>
<b>Liabilities and equity (deficit)</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,625	\$ 2,114
Short-term debt and current portion of long-term debt	1,338	945
Fiduciary liabilities	18,193	15,900
Other current liabilities	1,793	1,347
<b>Total current liabilities</b>	<b>22,949</b>	<b>20,306</b>
Long-term debt	9,989	9,825
Non-current operating lease liabilities	675	693
Deferred tax liabilities	120	99
Pension, other postretirement, and postemployment liabilities	1,159	1,186
Other non-current liabilities	995	1,024
<b>Total liabilities</b>	<b>35,887</b>	<b>33,133</b>
<b>Equity (deficit)</b>		
Ordinary shares - \$0.01 nominal value	2	2
Additional paid-in capital	6,906	6,864
Accumulated deficit	(2,505)	(2,772)
Accumulated other comprehensive loss	(4,338)	(4,623)
<b>Total Aon shareholders' equity (deficit)</b>	<b>65</b>	<b>(529)</b>
Noncontrolling interests	97	100
<b>Total equity (deficit)</b>	<b>162</b>	<b>(429)</b>
<b>Total liabilities and equity</b>	<b>\$ 36,049</b>	<b>\$ 32,704</b>

(1) Includes cash and short-term investments of \$7,538 million and \$6,386 million as of June 30, 2023 and December 31, 2022, respectively.

## Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>(millions)</i>	<b>Six Months Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Net income	\$ 1,654	1,562
Adjustments to reconcile net income to cash provided by operating activities:		
Gain from sales of businesses	—	(47)
Depreciation of fixed assets	77	78
Amortization and impairment of intangible assets	50	53
Share-based compensation expense	226	211
Deferred income taxes	(168)	(36)
Other, net	28	1
Change in assets and liabilities:		
Receivables, net	(704)	(674)
Accounts payable and accrued liabilities	(515)	(408)
Current income taxes	53	137
Pension, other postretirement and postemployment liabilities	(3)	(37)
Other assets and liabilities	433	291
<b>Cash provided by operating activities</b>	<b>1,131</b>	<b>1,131</b>
<b>Cash flows from investing activities</b>		
Proceeds from investments	54	65
Purchases of investments	(29)	(39)
Net sales of short-term investments - non fiduciary	255	38
Acquisition of businesses, net of cash and funds held on behalf of clients	(8)	(143)
Sale of businesses, net of cash and funds held on behalf of clients	1	22
Capital expenditures	(145)	(68)
<b>Cash provided by (used for) investing activities</b>	<b>128</b>	<b>(125)</b>
<b>Cash flows from financing activities</b>		
Share repurchase	(1,100)	(1,328)
Proceeds from issuance of shares	33	26
Cash paid for employee taxes on withholding shares	(216)	(192)
Commercial paper issuances, net of repayments	(217)	(409)
Issuance of debt	744	1,471
Increase in fiduciary liabilities, net of fiduciary receivables	999	661
Cash dividends to shareholders	(241)	(229)
Noncontrolling interests and other financing activities	(41)	(37)
<b>Cash used for financing activities</b>	<b>(39)</b>	<b>(37)</b>
<b>Effect of exchange rates on cash and cash equivalents and funds held on behalf of clients</b>	<b>203</b>	<b>(423)</b>
<b>Net increase in cash and cash equivalents and funds held on behalf of clients</b>	<b>1,423</b>	<b>546</b>
<b>Cash, cash equivalents and funds held on behalf of clients at beginning of period</b>	<b>7,076</b>	<b>6,645</b>
<b>Cash, cash equivalents and funds held on behalf of clients at end of period</b>	<b>\$ 8,499</b>	<b>\$ 7,191</b>
Reconciliation of cash and cash equivalents and funds held on behalf of clients:		
Cash and cash equivalents	\$ 952	\$ 740
Cash and cash equivalents classified as held for sale	9	—
Funds held on behalf of clients	7,538	6,451
<b>Total cash and cash equivalents and funds held on behalf of clients</b>	<b>\$ 8,499</b>	<b>\$ 7,191</b>